

**FOR IMMEDIATE RELEASE****LOCKHEED MARTIN-NORTHROP GRUMMAN TEAM SELECTED FOR
\$11 BILLION COAST GUARD DEEPWATER RECAPITALIZATION CONTRACT****50-50 Joint Venture To Modernize Surface, Air and Shore Assets**

WASHINGTON, D.C., June 25, 2002 – The United States Coast Guard today awarded Integrated Coast Guard Systems (ICGS) a contract to carry out a far-reaching modernization program for the agency's Deepwater forces – the ships, aircraft, command and control, and logistics systems that protect the United States and support the Coast Guard's many missions. The contract was announced in a ceremony held in Washington, D.C.

ICGS – a co-equal partnership of Northrop Grumman Corporation (NYSE: NOC) and Lockheed Martin Corporation (NYSE: LMT) – was awarded a contract valued at \$11 billion to modernize the Coast Guard's Deepwater assets over a 20-year period. The program's total potential value over three decades is estimated at approximately \$17 billion. Deepwater is the largest recapitalization effort in the history of the Coast Guard and will involve the acquisition of up to 91 ships, 35 fixed-wing aircraft, 34 helicopters, 76 unmanned surveillance aircraft, and upgrade of 49 existing cutters and 93 helicopters, in addition to systems for communications, surveillance and command and control.

"The nation depends on the Coast Guard to protect our homeland and secure over 95,000 miles of shoreline, save lives and protect the environment," said Lockheed Martin chairman and chief executive officer Vance D. Coffman. "We are proud to partner with the Coast Guard to ensure its ability to meet its evolving missions through a transformational modernization program."

Kent Kresa, chairman and chief executive officer, Northrop Grumman, added, "We are very pleased to help the Coast Guard write a new chapter in its proud, 200-year history. Successful development and implementation of the Deepwater system is critical to America's maritime safety and homeland security. Our team's approach provides a single, integrated package of ships, aircraft and helicopters, all linked by advanced common software and systems."

Coast Guard Commandant Admiral Thomas H. Collins said that the Northrop Grumman / Lockheed Martin team offered a superior solution, a strong management approach, a low-risk implementation strategy and an Open Business Model™, all of which address the Coast Guard's modernization needs. This performance-based contract will develop, acquire, and sustain an affordable, integrated system of surface, air, command, and logistics assets, while maximizing operational effectiveness at the lowest possible total ownership cost.

ICGS will manage over 100 companies from 32 states, as well as four international teammates, to implement its comprehensive plan for the Coast Guard. The ICGS Open Business Model™ approach maximizes competition and ensures best value to the Coast Guard and the nation's taxpayers throughout the life of the program.

ICGS has structured a program that will greatly enhance the Coast Guard's core system capability within the

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first five years of the contract, and ensure a low-risk transition to the full vision of the Deepwater system. In the first five years, ICGS will:

- Provide a network centric capability of robust C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance) resources on new and existing air, land and sea assets.
- Upgrade older assets until new ships, aircraft and systems are fielded.
- Provide more capable systems with greater speed, longer endurance, and better onboard working spaces, all with a common integrated support infrastructure that will significantly lower operating costs.
- Design, build and deploy the first of a new class of cutters for the Coast Guard – the National Security Cutter (NSC).

ICGS' long-range Deepwater solution will transform the force into mission-designed, fully integrated assets with complete life-cycle support.

Jointly owned by Northrop Grumman and Lockheed Martin, ICGS has the full commitment and necessary resources from both corporations to ensure meeting or exceeding the Coast Guard's expectations.

Headquartered in Rosslyn, VA, the ICGS core leadership team will manage a fully integrated team operating within common processes and performance management systems. Full participation by the Coast Guard is built into every level and function within the ICGS team.

Lockheed Martin will provide an advanced, fully integrated command and control system and information network across all the new and upgraded Deepwater cutters, aircraft and associated land-based facilities. Lockheed Martin is also responsible for providing fully integrated manned and unmanned aircraft and the logistics system across the entire Deepwater project.

As the leading technology solutions provider and integrator to the U.S. government, Lockheed Martin focuses on the defense, information technology and homeland security requirements of the military services and civil agencies. The Corporation's advanced technology solutions draw on world-class capabilities in systems engineering and integration, complex project management, software development and information technology. These align with emerging homeland security requirements for enhanced command and control, threat information alert and exchange, border control, critical infrastructure protection and emergency management and incident response. Lockheed Martin Corporation is headquartered in Bethesda, MD.

The cutter design and production work will be performed at Northrop Grumman's Ship Systems sector, headquartered in Pascagoula, MS. Ship Systems includes primary operations in Pascagoula and Gulfport, MS; and New Orleans and Tallulah, LA, and is one of the nation's leading full-service systems companies for the design, engineering, construction and life cycle support of major surface ships for the U.S. Navy, U.S. Coast Guard and international navies, and for commercial vessels of all types.

Northrop Grumman Corporation is an \$18 billion global defense company headquartered in Los Angeles, CA. Northrop Grumman provides technologically advanced, innovative products, services and solutions in defense and commercial electronics, systems integration, information technology and nuclear and non-nuclear shipbuilding and systems. With nearly 100,000 employees and operations in 44 states and 25 countries, Northrop Grumman serves U.S. and international military, government and commercial customers.

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For additional information on Integrated Coast Guard Systems, visit:

<http://www.ICGSDeepwater.com>

For information on Lockheed Martin Corporation, visit:

<http://www.lockheedmartin.com>

For information on Northrop Grumman, visit:

<http://www.northropgrumman.com>